

DIAMOND K

M/015/041

-COMPLETE COPY OF ORIGINAL DOCUMENTS
SENT TO BOND FILE

June 8, 2000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Ut 84114-5801

Dear Sirs:

Enclosed please find the documents you requested regarding the Reclamation Contract and the Letter of Credit increase. I am sorry for the delay, but we have been in the process of changing banks, so the delay was the change of the Letter of Credit.

If you have any questions, please contact me at 435-896-8870.

Sincerely,

Karen Palmer
Vice President

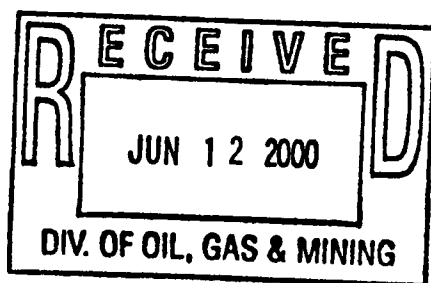
RECEIVED

JUN 12 2000

DIVISION OF
OIL, GAS AND MINING



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECLAMATION CONTRACT

---ooOoo---

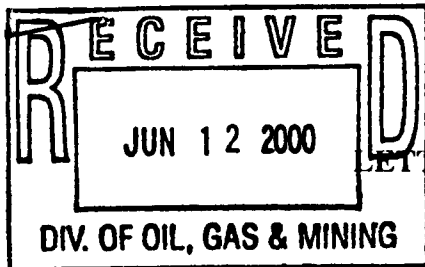
For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/015/041
(Mineral Mined) Gypsum

"MINE LOCATION":
(Name of Mine) DKG Quarry
(Description) Approximately 2 miles from exit 114
off I-70. Approximately 14 miles
southeast of Moore.

"DISTURBED AREA":
(Disturbed Acres) 12.6 acres
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Diamond K Gypsum, Inc.
(Address) 1660 South Red Hills Drive
P.O. Box 35
Richfield, Utah 84701
(Phone) 1-800-GYPSUM1 (1-800-497-7861)



LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT

LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT (this "Agreement") dated JUNE 5, 2000 is between DIAMOND K GYPSUM, INC. (the "Borrower") and Zions First National Bank ("Bank"). In consideration for Bank issuing irrevocable letters of credit [during the term of this Agreement in an amount not to exceed \$ 33,100.00, from time to time in an amount not exceeding \$ 33,100.00 at any one time outstanding] (the "Letters of Credit"), Borrower unconditionally agrees (jointly and severally if there is more than one party listed as Borrower) with Bank as follows:

1. **Reimbursement.** Borrower shall reimburse Bank, at Bank's office in immediately available United States currency, the amount paid or to be paid by Bank or Bank's agent, or any party on Bank's behalf on each draft or other order, instrument or demand drawn or presented under the Letters of Credit (an "Item"). Items shall be reimbursed on demand.

2. **Commission and Charges.** Borrower agrees to pay Bank an issuance fee in the amount of 1.50 % per annum of the amount of each Letter of Credit, or a minimum of \$ 331.00 payable on the date of the issuance of such Letter of Credit and any subsequent anniversary of the date of issuance. Borrower also agrees to pay Bank (i) a negotiation fee in the amount of 1/8% of the amount of each draw under each Letter of Credit, payable on the date of such drawing, and (ii) an amendment fee in the amount of \$35.00 for each amendment to each Letter of Credit, payable on the effective date of each such amendment. In addition, Borrower shall reimburse Bank for any and all costs, expenses, charges and liabilities incurred or paid by Bank in connection with any Letter of Credit or this Agreement.

3. **Interest.** Borrower shall pay Bank on demand interest at a fluctuating rate per annum equal to four percent (4%) above the Prime Rate on all amounts paid by Bank or any other drawee under any Item, any Letter of Credit, or this Agreement from the date of such payment until Bank receives reimbursement. "Prime Rate" means an index which is determined daily by the published commercial loan variable rate index held by any two of the following banks: Chase Manhattan Bank, Wells Fargo Bank N. A., and Bank of America N. T. & S. A. In the event no two of the above banks have the same published rate, the bank having the median rate will establish the Prime Rate. If, for any reason beyond the control of Bank, any of the aforementioned banks becomes unacceptable as a reference for the purpose of determining the Prime Rate, Bank may, five days after posting notice in Bank's offices, substitute another comparable bank for the one determined unacceptable. As used in this paragraph, "comparable bank" shall mean one of the ten largest commercial banks headquartered in the United States of America. This definition of Prime Rate is to be strictly interpreted and is not intended to serve any purpose other than providing an index to determine the variable interest rate used herein. It is not the lowest rate at which Bank may make loans to any of its customers, either now or in the future. Interest shall be calculated on the basis of a 360-day year and paid for actual days elapsed.

4. **Set Off.** Borrower authorizes Bank to charge any account or other funds in Bank's possession for the payment of the liabilities (as defined in Section 8 of this Agreement).